KPMG

Financial Statements of

WASCANA CENTRE AUTHORITY

Year ended March 31, 2000

101-01892/

WASCANA CENTRE AUTHORITY

Index to Financial Statements

March 31, 2000

	Page No.
Auditors' Report	1
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	11
Auditors' Report on Supplementary Financial Information	13
Supplementary Financial Information	14-17

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AUDITORS' REPORT

To the Participating Parties of Wascana Centre Authority:

We have audited the statement of financial position of Wascana Centre Authority as at March 31, 2000, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

May 31, 2000

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

WASCANA CENTRE AUTHORITY

Statement of Financial Position

March 31, 2000, with comparative figures for 1999

	2000	1999
Assets		
Current:		
Cash and term deposits	$ 746,603	971,781
Accounts receivable	54,299	50,669
Inventory	3,667	3,589
Prepaid expenses	673	10,399
	805,242	1,036,438
Capital assets (note 3)	3,111,295	3,283,116
	$ 3,916,537	4,319,554
Liabilities and Participating Parties' Net Assets		
Current liabilities:		
Accounts payable	$ 315,478	321,386
Early retirement benefits payable (note 4)	16,800	22,400
Contractual deposits	-	7,077
Deferred revenue	2,435	129,223
	334,713	480,086
Early retirement benefits payable (note 4)	60,350	77,150
Deferred contributions (note 5)	69,493	113,222
Participating Parties' net assets:		
Invested in capital assets (note 6)	3,111,295	3,283,116
Internally restricted (note 7)	340,686	365,980
Unrestricted	-	-
	3,451,981	3,649,096
Commitments and contingencies (note 9)		
	$ 3,916,537	4,319,554

See accompanying notes to financial statements.

On behalf of the Authority:

Member

Member

WASCANA CENTRE AUTHORITY

Statement of Operations

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999
Revenue:		
Government of Saskatchewan		
Statutory grant	$ 805,601	719,278
Maintenance grant	1,840,000	1,840,000
City of Regina		
Statutory grant	439,419	392,033
Maintenance grant	767,000	767,000
University of Regina		
Statutory grant	219,709	196,017
Maintenance grant	275,000	280,000
Other operating revenue (Schedule 1)	261,727	263,100
	4,608,456	4,457,428
Expenses:		
Landscape construction (Schedule 2)	418,730	261,778
Landscape maintenance (Schedule 3)	1,047,629	987,479
Service maintenance (Schedule 3)	646,015	670,392
Indirect costs (Schedule 3)	1,185,090	1,157,612
Specialized service (Schedule 4)	1,066,002	993,639
Amortization	370,445	362,109
Other expenses (note 7)	71,660	51,631
	4,805,571	4,484,640
Excess of expenses over revenue	$ (197,115)	(27,212)

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Statement of Changes in Net Assets

Year ended March 31, 2000, with comparative figures for 1999

				Total	
	Invested in Capital Assets	Internally Restricted	Unrestricted	2000	1999
Balance, beginning of year	$ 3,283,116	365,980	-	3,649,096	3,676,308
Excess of expenses over revenue	(370,445)	-	173,330	(197,115)	(27,212)
Net change in investment in capital assets (note 6)	198,624	-	(198,624)	-	-
Transfer to unrestricted net assets (note 7)	-	(71,660)	71,660	-	-
Internally imposed restrictions (note 7)	-	46,366	(46,366)	-	-
Balance, end of year	$ 3,111,295	340,686	-	3,451,981	3,649,096

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Statement of Cash Flows

Year ended March 31, 2000, with comparative figures for 1999

		2000	1999
Cash provided by (used in):			
Operating activities:			
Excess of expenses over revenue	$	(197,115)	(27,212)
Items not involving cash:			
Amortization		370,445	362,109
Gain on sale of capital assets		(13,720)	(12,943)
Decrease (increase) in accounts receivable		(3,630)	23,247
Decrease in inventory		(78)	440
Decrease in prepaid expenses		9,726	7,187
Increase in accounts payable		(5,908)	42,680
Decrease in contractual deposits		(7,077)	-
Decrease in early retirement benefits payable		(22,400)	(25,200)
Increase (decrease) in deferred revenue		(126,788)	126,788
Increase (decrease) in deferred contributions		(43,729)	113,222
		(40,274)	610,318
Financing activities:			
Purchase of capital assets (note 6)		(199,130)	(387,705)
Proceeds on sale of capital assets		14,226	41,049
		(184,904)	(346,656)
Increase (decrease) in cash and term deposits		(225,178)	263,662
Cash and term deposits, beginning of year		971,781	708,119
Cash and term deposits, end of year	$	746,603	971,781

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2000, with comparative figures for 1999

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1. Description of operations:

On April 1, 1962, *The Wascana Centre Act* (the "Act") was passed unanimously by the Saskatchewan Legislature. By this Act, the Wascana Centre Authority (the "Authority") was established as a statutory corporate body for the operation of Wascana Centre (the "Centre"). The Government of Saskatchewan (the "Government"), the City of Regina (the "City") and the University of Regina (the "University"), usually referred to as "Participating Parties", became partners in the Wascana Centre Authority.

Under the powers of the Act, the Authority establishes a master plan for the Centre and ensures all developments are consistent with the plan; approves all exterior improvements including building, service facility and landscape improvements; establishes bylaws; provides special services; undertakes landscape construction and maintains the grounds within the boundaries of the Centre.

The Authority is a registered charity within the meaning of the *Income Tax Act* (Canada) and is exempt from income taxes.

The Authority is economically dependent upon the Participating Parties and is financed as follows:

Statutory grant:

These funds are provided for in Section 53 of the Act, on the shared basis of 55% by the Government, 30% by the City and 15% by the University and are based on a mill-rate formula, providing the necessary funding for the administrative and general operating expenses of the Authority, as well as capital expenditures on lands located within the Centre, the title for which is held in the name of the Authority. The Act also provides that no less than $375,000 of this amount be directed towards landscape construction and service facility construction and restoration on Authority-owned land, and service facility construction on land of a Participating Party when the service facility construction is deemed to be of mutual benefit to the three Participating Parties, pursuant to Section 30 of the Act.

Operating grants:

Beyond the statutory contribution, operating grants are also provided by each of the Participating Parties based on land ownership.

To maintain uniformity throughout the Centre, unit operating costs are established pursuant to Section 37 of the Act, and applied as standards for landscape and service maintenance. This ensures that each of the Participating Parties pays its fair share of operating costs for lands located within the Authority, the title for which is held by the respective Participating Parties.

Developments such as buildings, roadways and landscaped areas are the responsibility of the landowner holding title to such developments.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2000, with comparative figures for 1999

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2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

Revenue recognition:

The Authority follows the deferral method of accounting for contributions which include government grants and donations. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Revenue from fees, contracts and sales of goods and services is recognized when the services are provided or the goods are sold.

Cash and term deposits:

Cash and term deposits consist of cash, bank overdraft and term deposits with a maturity date of 90 days or less.

Capital assets:

Purchased assets are recorded at cost. Capital assets originally contributed by the Participating Parties at incorporation have been recorded at a nominal value of $1. All landscape construction costs and normal maintenance and repair expenditures are expensed as incurred.

Amortization is provided on the straight-line basis over the following periods:

Buildings	20 years
Equipment	5 - 10 years
Vehicles	5 - 8 years
Office furniture	10 years

Contractual deposits:

The Authority holds funds from the Government on deposit to cover the costs of various projects as agreed to by the Participating Parties.

Landscape construction:

In accordance with the Act, specifically designated expenditures that are incurred for landscape construction on public land and construction of service facilities on Authority land or on land of a Participating Party are expensed.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2000, with comparative figures for 1999

2. Significant accounting policies (continued):

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

3. Capital assets:

			2000	1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Assets from Participating Parties	$ 1	-	1	1
Land	1,669,895	-	1,669,895	1,669,895
Buildings	3,885,468	3,279,559	605,909	788,635
Equipment	1,940,948	1,330,250	610,698	617,664
Vehicles	472,786	289,546	183,240	161,781
Office furniture	189,388	147,836	41,552	45,140
	$ 8,158,486	5,047,191	3,111,295	3,283,116

4. Early retirement benefits payable:

Amounts owing under an early retirement program are as follows:

	2000	1999
Bridge benefits payable to early retirees until year 2008	$ 77,150	99,550
Less: current portion	16,800	22,400
Long-term portion	$ 60,350	77,150

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2000, with comparative figures for 1999

4. Early retirement benefits payable (cont'd):

Estimated payments are as follows:

2001	16,800
2002	16,800
2003	15,050
2004	9,800
2005	5,250
Thereafter	13,450

5. Deferred contributions:

Deferred contributions related to expenses of future periods represent unspent statutory grants for landscape construction as defined in the Act and described in note 1.

		2000	1999
Balance, beginning of year	$	113,222	-
Add amounts received during the year		375,000	375,000
Less amounts recognized as revenue during the year		(418,729)	(261,778)
Balance, end of year	$	69,493	113,222

6. Investment in capital assets:

Investment in capital assets is calculated as follows:

		2000	1999
Capital assets, beginning of year	$	3,283,116	3,285,626
Purchase of capital assets		199,130	387,705
Net book value of capital assets disposed		(506)	(28,106)
Amortization of capital assets		(370,445)	(362,109)
Capital assets, end of year	$	3,111,295	3,283,116

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2000, with comparative figures for 1999

6. Investment in capital assets (cont'd):

Change in net assets invested in capital assets is calculated as follows:

		2000	1999
Excess of expenses over revenue:			
Amortization of capital assets	$	(370,445)	(362,109)
	$	(370,445)	(362,109)
Net change in investment in capital assets:			
Purchase of capital assets	$	199,130	387,705
Net book value of capital assets disposed		(506)	(28,106)
	$	198,624	359,599

7. Internally restricted net assets:

The Participating Parties of the Authority have internally restricted amounts from unrestricted net assets for expenditures relating to special administrative and operating requirements and other projects as identified and approved by the Authority.

The internally restricted amounts are not available for other purposes without approval by the Participating Parties. During the year, $71,660 (1999 - $51,631) was transferred to unrestricted net assets and $39,289 (1999 - $26,929) was transferred from unrestricted net assets.

		2000	1999
Balance, beginning of year	$	365,980	390,682
Transfers to unrestricted net assets:			
Wascana Lake deepening study		(25,000)	-
Master Plan review		(21,478)	(29,288)
Infrastructure		(5,142)	(14,138)
Lake sediment study		-	(8,205)
Administrative projects		(1,803)	-
Fine arts projects		(18,237)	-
		(71,660)	(51,631)
Transfer from unrestricted net assets		46,366	26,929
Balance, end of year	$	340,686	365,980

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2000, with comparative figures for 1999

8. Related-party transactions:

Included in these financial statements are expenditures resulting from routine operating transactions with various agencies and departments of the Participating Parties.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The Authority had the following transactions with related parties:

	2000	1999
Expenses:		
Landscape construction	$ -	11,670
Landscape maintenance	254	275
Service maintenance	135,983	145,050
Indirect costs	129,111	122,681
Specialized services	62,830	50,930
Amounts not specifically disclosed in the balance sheet:		
Accounts receivable	$ 29,061	20,824
Prepaid expenses	363	7,060
Accounts payable	54,189	50,258
Contractual deposits	4,293	4,293
Deferred revenue	2,435	129,223

During the year, the Authority incurred expenses of $306,225 (1999 - $280,952) for services provided to the Participating Parties and outside agencies on a contractual basis that were fully recovered from the Participating Parties and outside agencies.

9. Commitments and contingencies:

The Authority has been named as a Defendant in certain lawsuits. In the opinion of management, these matters will not materially impact the Authority's present or future financial operations, and no provision has been made for them in the accounts. Should any loss result from the resolution of these claims, it will be accounted for in the year of settlement.

KPMG

Supplementary Financial Information of

WASCANA CENTRE AUTHORITY

Year ended March 31, 2000

KPMG LLP
Chartered Accountants
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AUDITORS' REPORT

To the Participating Parties of Wascana Centre Authority:

We have audited and reported separately herein on the financial statements of Wascana Centre Authority as at and for the year ending March 31, 2000.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The current year's supplementary information included in Schedules 1-4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

Chartered Accountants

Regina, Canada

May 31, 2000

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WASCANA CENTRE AUTHORITY

Schedule 1 - Other Operating Revenue

Year ended March 31, 2000, with comparative figures for 1999

		2000	1999
Service maintenance contracts	$	82,300	80,000
Interest		52,631	73,628
Other grant revenue		30,658	13,126
Rent		28,514	28,092
Gift shop revenue (net of cost of goods sold of $71,068; 1999 - $65,546)		23,347	22,177
Ferry boat revenue		13,876	10,967
Miscellaneous		13,823	12,434
Gain on sale of capital assets		13,720	12,943
Parking ticket revenue		2,858	9,633
Waterfowl Park grant		-	100
	$	261,727	263,100

Schedule 2 - Landscape Construction

Year ended March 31, 2000, with comparative figures for 1999

		2000	1999
Wascana bikeway	$	115,906	-
Development salaries		96,507	95,874
Wascana Lake deepening study		31,843	50,158
Tree planting		28,765	17,653
Promenade repair Wascana Park		27,562	33,691
Boardwalk repair		23,818	-
Lower Marina landscape		23,682	-
Culliton Centre Irrigation		16,569	-
Repair service facilities		15,635	-
Links between capitals		13,886	-
Lakeshore Drive landscape renovations		13,290	13,441
Waterfowl Park overlook		4,897	-
Master plan program		3,673	-
Wascana Park bandstand		1,672	-
Other projects		1,025	-
Infrastructure repair		-	38,590
Trafalgar Overlook Phase III		-	2,336
Wascana Lake management study		-	10,035
	$	418,730	261,778

WASCANA CENTRE AUTHORITY

Schedule 3 - Landscape Maintenance, Service Maintenance and Indirect Costs

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999
Landscape Maintenance		
Salaries:		
Irrigated turf	$ 454,900	414,511
Trees and shrubs	200,560	207,511
Flowers, bedding plants, nursery	81,786	79,714
Unimproved	45,951	39,614
Picnic sites, park furniture, amenities	45,403	36,342
Playing fields	42,397	36,491
	870,997	814,183
Materials	176,632	173,296
	$ 1,047,629	987,479
Service Maintenance		
Salaries:		
Snow removal	$ 111,117	172,908
Survey, engineering	68,483	49,223
Roads, lighting and signs	30,972	27,243
Buildings and washrooms	27,880	25,753
	238,452	275,137
Utilities	169,381	168,449
Building repair and maintenance - materials	112,074	103,385
Supplies and materials	93,584	92,402
Insurance	32,524	31,019
	407,563	395,255
	$ 646,015	670,392

WASCANA CENTRE AUTHORITY

Schedule 3 - Landscape Maintenance, Service Maintenance and Indirect Costs

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999
Indirect Costs		
Equipment Maintenance:		
Salaries	$ 113,096	108,142
Miscellaneous repairs and materials	93,206	74,059
Gas, oil and grease	79,420	74,101
Vehicle and equipment rental, registration and insurance	71,856	72,644
Cost recoveries	(32,172)	(25,576)
	325,406	303,370
Employee benefits (net of cost recoveries of $60,886; 1999 - $44,672)	636,249	636,906
Supervisory salaries	223,435	217,336
	$ 1,185,090	1,157,612

WASCANA CENTRE AUTHORITY

Schedule 4 - Specialized Services

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999
Greenhouse:		
Salaries	$ 83,642	87,370
Materials	39,130	24,349
	122,772	111,719
Police:		
Salaries	146,529	128,288
Vehicle operation and rental	23,137	21,638
Uniforms, radios and other	8,053	8,951
Parking enforcement and security services	1,410	1,541
	179,129	160,418
Public relations and gift shop operations:		
Salaries	171,400	153,982
Information and committee programs	40,541	37,679
Photography and printing	14,777	12,555
Art gallery and gift shop expense	12,319	11,873
Display ponds	1,619	1,373
	240,656	217,462
Administration:		
Salaries	366,136	355,407
Telephone	28,835	30,907
Training and travel	26,829	12,453
Data processing	23,990	20,078
Photocopying and supplies	20,872	21,131
Regulatory and consulting	13,276	23,150
Honoraria and association fees	10,812	8,441
Audit	9,600	12,100
Legal expenses	9,423	4,833
Postage and courier services	7,822	8,322
Reference books and subscriptions	5,850	7,218
	523,445	504,040
	$ 1,066,002	993,639